Sectt. II-37—45,000—8-11-34.

Development (1937) Department.

4th SERIES.

G.O. No.	1375
DATED	5. 10. 37

[Despatch Abstract.]

Des. 3294-II
1-10-35

C.F. 30.

DEPARTMENT.

Received 1-OCT-1935 19 . *Registered* 19 .

Subject.

State aid - application from Muthuvalli Mahabub Sahib, Hospet, for a loan of Rs.4000/- - rejected by the Board of Industries.

Enclosures.
No. 3
Spare copies

No. S.A.6/33.

Station Madras, *Dated the* 27th September 1935.

From (Name) L.B.Green Esq., M.B.E.,
(Designation) Ag. Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

I submit, for the orders of Government, copies of the undernoted papers in connexion with an application received from Muthuvalli Mahabub Sahib, Hospet, for a loan of Rs.4,000/- under section 6(a) of the State Aid to Industries Act for the purphase of a new Hornsby or Blackstone oil engine.

(i) Application from Muthuvalli Mahabub Sahib.
(ii) Note dated 4th September 1935 circulated to the members of the Board of Industries, and
(iii) Extract of minutes of Proceedings of the meeting of the Board of Industries held on 16th September 1935.

2. The applicant is the proprietor of a factory consisting of a screw cutting lathe, a rice huller and two flour grinding mills. He also undertakes repair work connected with sugarcane mill rollers during the sugar season. Rice milling is a well established industry in the Presidency, there being about 500 mills at work. In Hospet itself, there are two or three rice mills. This branch of this factory cannot therefore be held to come under section 5(i)(a) or (b) of the Act. It cannot also be brought under section 5(i)(c) of the Act as a cottage industry, as the applicant is employing two persons and proposes to employ later three more persons. The same remarks apply also in respect of the flour milling business. As regards the repairing of sugar cane mills, there is another factory in Hospet engaged in such repair work. In the circumstances it is doubtful whether the application can be held to satisfy the provisions of section 5(1) of the Act, and to be eligible for aid under the Act.

3. The application was placed before the Board of Industries at its meeting held on the 16th September 1935 when it was resolved unanimously that the Board was unable to recommend the grant of the loan applied for, as it did not consider that the application satisfied the conditions of Section 5(1) of the Act. Government are therefore precluded under section 8(5) of the Act from granting the loan applied for.

for Director of Industries.

G.M.

15. Nature and extent of the applicant's rights to the property offered as security.	Independent and Sole Proprietor as per registered deed dated 30th August 1933.
16. Nature and extent of encumbrances on the immovable property offered as security primary or collateral.	Free from all kinds of encumbrances.
17. Whether any arrears are due on the immovable property offered as security and if so nature and extent of such arrears.	Nil.
18. Period within which and the number of instalments in which the applicant proposes to repay the loan.	Twenty years - Twenty instalments.
19. Approximate nett additional profit income expected to be earned as a result of the proposed expenditure.	Yearly Rs.500/-
20. Any other remarks.	The money depression and the heavy rate of interests which the sowcars demand for the amounts lent would be unbearable. Hence request under the Act for State aid.

Hospet.
3.9.33.

Sd. Muthuvalli Mahaboob Sahib.

Signature of the applicant.

6/

Note for the Board of Industries.

Application from Muthuvalli Mahabub Sahib, Hospet, for a loan of Rs 4,000/- for the purchase of a new Hornsby or Blackstone oil engine, under Section 6(a) of the State Aid to Industries Act.

...

A copy of application from Muthuvalli Mahabub Sahib is attached from which it will be seen that the applicant is the proprietor of a factory consisting of one screw cutting lathe, a rice buller and two flour grinding mills. The repair of sugarcane mill rollers is undertaken during the sugar cane season, while the huller and grinding mills are reported to be worked as side lines. The applicant proposes to increase the output of his factory by installing an Oil Engine to drive the mechinery and for this purpose he has applied for a loan of Rs 4,000/- to enable him to purchase and instal a Hornsby or Blackstone oil engine.

2. Rice milling is a well established industry in the Presidency, there being about 500 mills at work. In Hospet itself there are two or three rice mills. It is doubtful therefore whether this branch of his factory can be held to come under Section 5(i) (a) or (b) of the State Aid to Industries Act. This industry cannot also be brought under section 5(1)(c) of the Act as a cottage industry as the applicant is already employing two persons and proposes to employ later three more persons. The same remarks apply also in respect of the flour milling business. As regards the repairing of sugar cane mills, there is another factory in Hospet engaged in sugarcane mill repair work.

Loan for two Power Installations

Application from Kuruvalli Mahadu Sonkh, Report, for a loan of Rs 4,000/- for the purchase of a new Hornsby or Blackstone oil engine, under Section 8(a) of the State Aid to Industries Act.

...

A copy of Application from Kuruvalli Mahadu Sonkh is attached from which it will be seen that the applicant is the proprietor of a factory consisting of one corn cutting latch, two huller and two flour grinding mills. The report of Supervisor will relate to undertaking during the current season, while the huller and grinding mills are reported to be worked as side lines. The applicant proposes to increase the output of his factory by installing an Oil Engine to drive the machinery and for this purpose has applied for a loan of Rs 4,000/- to enable him to purchase and install a Hornsby or Blackstone oil engine.

2. Rice milling is a well established industry in the Presidency, there being about 800 mills at work. In Report itself there are two or three rice mills. It is submitted therefore whether this branch of his factory can be held to come under Section 8(1) (c) or (b) of the State Aid to Industries Act. This industry cannot be brought under section C(1)(c) of the Act as a cottage industry as the applicant is already employing two persons and proposes to employ later three more persons. The mills recently applied for in respect of the flour milling business. As regards the repairing of auger cane mills, there is another factory in Report engaged in sugarcane mill repair work.

In the circumstances it is doubtful whether the concern can be held to satisfy the provisions of Section 5(1) of the Act, so as to make it eligible for aid under the Act.

3. The views of the Board are desired as to the admissibility of the application for aid under Section 5(1) of the Act.

(2)

14/5/X

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..	5/10	
When copied ..		
When examined..		5/10
When signed ..		
When despatched.		

SUBJECT:— Industries

State aid to Industries Act — application from Muthuvalli Mahabub Sahib, Hospet — Rejected

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No 32947/20 From the D.T. S.A. No. 6/33, dated 27.9.1920

" _____ " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order / Resolution — Ms. / Rout. No. 1375, dated 5-10-1935

The Govt are precluded, by the provisions of Sec 8(5) of the Madras State aid to Industries Act, 1922 (Act IV of 1923), from sanctioning the loan applied for by Muthuvalli Mahabub Sahib, Hospet.

2-10-1935

3/10/35

4/10

To the D.T.

Desp 5/10